

6.1 General Ledger New Account Request

Policy Statement

Government Accounting centrally controls and maintains the SAP chart of accounts for all users of the province's CFMS/SAP system.

Definitions

STATISTICAL ORDERS

Statistical orders identify costs for information purposes only to track such things as costs for a project. These orders provide shadow reporting for costs posted to cost centres. Individual projects may be reported separately for information purposes while the total expenses for all projects are reported in the cost centre. These orders are not settled and cannot have overhead applied.

INTERNAL ORDERS

Internal orders are used to collect the costs of a job or project that will be settled to another cost centre, a general ledger account, or an asset. They are allocated regularly, or when the work is finished.

Policy Objective

The objective of this policy is to detail the controls established to minimize duplication and excessive volumes of accounts being created and to maintain consistency in general ledger (GL) structure, cost collection, and financial reporting.

Application

This policy applies to all users of the province's CFMS/SAP system.

Policy Directives

To prevent excessive volumes of accounts and duplication of work effort, this policy requires that requests for new general ledger accounts are supported with valid reasons for account creation.

Users should consider the following in advance of requesting a new account:

- Check for an account that already exists and could be used to code the transaction.

- Consider the frequency of transactions to be posted to the requested account , i.e., is this significant enough to justify cost collection at the general ledger account level.
- Consider if the cost can be collected by creating a statistical or internal order as opposed to a general ledger account.

General Ledger (GL) Account Structure

Assets	101000-199999 + Business Area
Liabilities	210000-299999 + Business Area
Revenues	300000-399999 + Business Area (Cost Centre)
Recoveries	500000-599999 + Business Area (Cost Centre)
Expenditures (Salaries)	610000-629999 + Business Area (Cost Centre)
Expenditures (Travel etc)	630000-859999 + Business Area (Cost Centre + Supplement Code)
Expenditures (Grants & Assistance)	860000-879999 + Business Area (Cost Centre + Supplement Code)
Expenditures (Debt Charge)	880000-889999 + Business Area (Cost Centre + Supplement Code)
Expenditures (L/C Division)	890100-899999 + Business Area (Cost Centre + Supplement Code)
Expenditures (Fees and Other)	900000-909999 + Business Area (Cost Centre)
Expenditures (L/C Departments)	950000-999999 + Business Area (Cost Centre)

Policy Guidelines

Requests for new GL Accounts or changes (description changes, blocking, or unblocking) to existing accounts should be forwarded by GL Request Form (Appendix 6-A) to the Director of Government Accounting.

Government Accounting will notify the department when the request has been completed or will work with the user to identify an alternative account to use.

Accountability

Government Accounting is responsible for the timely processing of GL Request Forms and for advising the users of alternative means of reporting where available. Users of CFMS/SAP for financial transactions are required to initiate and forward the requests as required.

Monitoring

Government Accounting will monitor the policy for implementation, performance, and effectiveness.

Enquiries

Director, Government Accounting
 Department of Finance
 (902) 424-7021

Appendices

Appendix 6-A Request for General Ledger Account

Appendix 6-B CFMS General Ledger System Chart

Approval date: July 5, 2001

Approved by: Minister, Department of Finance

Manual release date: January 9, 2003

Most recent review:

Appendix 6-A

Request for General Ledger Account

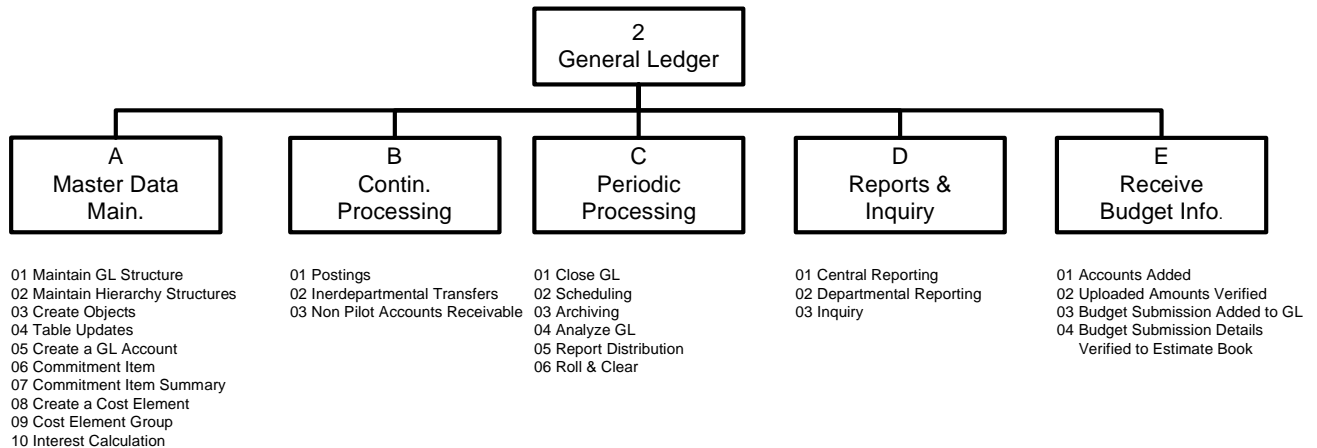
Account number		Short text	
Long text			
Purpose of new account			
For Office Use Only			
Account currency		Balances in local currency	Exchange rate difference key
Tax category		Posting without tax allowed	Recon. account for type
Open item managed		Line item display	Sort key
Field status group		Post automatically	Relevant ID (CIT)
Commitment item		House bank (CIT)	Account ID (CIT)
Cost element created			
Requester		Date	
Approval		Date	

Request for Secondary Cost Element

Secondary cost element number		
Name		
Description		
Reason for secondary cost element creation		
Purpose of new cost element		
Settlement	Activity allocation	Overhead/surcharges
For Office Use Only		
Cost element category	Record quantity	
Units of measure		
Requester		Date
Approval		Date

Appendix 6-B

CFMS General Ledger System Chart



Purpose

To provide government departments/agencies with the means to record their financial transactions and to provide management reporting.

Description

The general ledger is an orderly financial accounting structure that summarizes all transactions at the account number level. The GL enables government departments to compare their current financial picture to both budgeted and historical data.

